COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND SCHEDULED TRIBES

(2002-2003)

(THIRTEENTH LOK SABHA)

TWENTY FOURTH REPORT

ON

MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS – BANKING DIVISION) -

Policy of recruitment of staff in various Nationalised Banks after abolition of Banking Service Recruitment Boards (BSRBs).

LOK SABHA SECRETARIAT

NEW DELHI

February, 2003 / Phalguna, 1924 (Saka)

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COMPOSITION OF THE COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND SCHEDULED TRIBES (2002-2003)

Shri Ratilal Kalidas Varma - Chairman

MEMBERS – LOK SABHA

2.		Sh. Mahendra Baitha
3.		Sh. Padmanava Behera
4.		Prof. Dukha Bhagat
5.		Sh. Kanti Lal Bhuria
6.	$	Sh. Anand Mohan Biswas
7.		Sh. S.K. Bwiswmuthiary
8.		Sh. Shriram Chauhan
9.		Sh. Shamsher Singh Dullo
10.		Sh. Jarbom Gamlin
11.		Sh. Manikrao Hodlya Gavit
12.		Sh. Thawar Chand Gehlot
13.		Sh. Shivaji Vithalrao Kamble
14.		Sh. Rajaiah Malyala
15.	#	Smt. Jas Kaur Meena
16.		Sh. Kailash Meghwal
17.		Sh. Rupchand Murmu
18.		Sh. Pravin Rashtrapal
19.		Sh. Baju Ban Riyan
20.		Sh. Ramji Lal Suman

MEMBERS – RAJYA SABHA

21.	@	Sh. Gandhi Azad
22.		Dr. (Ms) P. Selvie Das
23.		Sh. R. Kamaraj

24. Sh. Anil Kumar
25. Sh. Sukhdev Singh Libra
26. Sh. Raju Parmar
27. Dr. Faguni Ram
28. Sh. V.V. Raghavan
29. Sh. Birabhadra Singh
30. @ Sh. Shyam Lal

SECRETARIAT

1. Sh. S.C. Rastogi – Joint Secretary
2. Sh. Krishan Lal – Director
3. Sh. K. Jena – Assistant Director

$ Ceased to be member of the Cte. w.e.f. 3.2.03 on his demise.

Ceased to be member of the Cte. w.e.f. 29.1.03 on her becoming Minister.

@ Ceased to be member of the Cte. w.e.f. 25.11.02 on expiry of their term as member of Rajya Sabha.

INTRODUCTION

I, the Chairman of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to finalise and submit the Report on their behalf, present this Twenty Fourth Report (Thirteenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs – Banking Division) regarding Policy of recruitment of staff in various Nationalised Banks after abolition of Banking Service Recruitment Board (BSRBs).

2. The Committee took evidence of the representatives of the Ministry of Finance-Banking Division on 09 April, 2002 and 8 August, 2002. The Committee wish to express their thanks to the officers of the Ministry of Finance for placing before the Committee material and information the Committee desired in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on 13 February, 2003.

4. A summary of conclusions / recommendations contained in the Report is appended (Appendix).

RATILAL KALIDAS VARMA
CHAIRMAN
COMMITTEE ON THE WELFARE
OF SCHEDULED CASTES AND
SCHEDULED TRIBES

NEW DELHI;
February, 2003
Phalguna, 1924(Saka)

CHAPTER – I

(i) Organisational set up

1.1 The Committee were informed by the Ministry of Finance that Banking Division in the Department of Economic Affairs of Ministry of Finance deals with the Government policies which are concerned with the working of Public Sector Banks and the term lending Institutions excluding Life Insurance Corporation of India, General Insurance Corporation of India and Unit Trust of India. There are four Joint Secretaries looking after various aspects concerning Banks and Financial Institutions which inter alia, include Banking Operations, Industrial Relations, Priority Sector lending, Industrial Finance etc.

1.2 When asked to explain about the role played by the Reserve Bank of India, Indian Banks Association and Banking Division in abolition of BSRBs the Secretary, Banking stated during evidence: -

> "The Reserve Bank of India essentially is a creature of the Reserve Bank of India Act, 1934. It is basically a regulatory body which goes into various aspects of the banks' functioning. It has a dialogue with the banks, gives them directives. The directives are permissible under law – so those directives are given by the RBI. The Reserve Bank of India also gives guidelines to the banks as to how they should meet a particular set of circumstances. In so far as the Indian Banks Association(IBA) is concerned, this looks at the question of issues which concern the banking sector as a whole not only the public sector but also the private sector. The Indian Banks Association which enters into negotiations with the officers' Association, workers' unions and enters into bipartite agreements and these bipartite agreements take place from time to time and they decide on the wages, conditions of work and all those other issues."

1.3 Continuing his statement, the representative further stated that 'as regards the Banking Division we have a specific role to play. One is, of course, to monitor the performance of the public sector banks per se and we do this,

to some extent, by collecting data from the banks themselves, secondly through the Reserve Bank of India and thirdly through the IBA. So, we do have this kind of an interface where they require specific directives from us that we consider at the policy level and those directives are issued in consultation with the Reserve Bank of India because there is an interplay between these two.'

(ii) Setting up of Banking Service Recruitment Boards (BSRBs)

1.4 In their preliminary material, the Ministry of Finance (Banking Division) had informed the Committee that, initially seven BSRBs were set up in 1978 for conducting examinations for clerical cadre as well as officers' cadre for meeting the requirements of banks which were nationalised long time back. In addition, there were one Central Recruitment Board and 13 Regional Recruitment Boards of State Bank of India catering to the requirements of State Bank Group During 1980-81 two more BSRBs were set up at Bhopal and Guwahati. They had further added that in 1985 the BSRBs and Regional Recruitment Boards of State Bank of India were re-organized and in all 15 BSRBs were set up. It was also stated by the Ministry that in the re-organized structure, each BSRB was entrusted with the task of recruiting clerks for all the Public Sector Banks operating in the area coming under its jurisdiction. The Central Recruitment Board, was responsible for recruitment of officers for the SBI Group and nine BSRBs were authorised to make recruitment of officers for the bank(s) allotted to them. Thus, as on 1.1.2002 there were 15 BSRBs and one Central Recruitment Board for SBI in existence.

(iii) Constitution of Mehta and Narsimham Committees

1.5 During evidence of the representatives of the Ministry the Committee desired to know the circumstances which led to the constitution of Mehta Committee and Narsimha Committee. The Ministry of Finance (Banking Division) in their post evidence reply stated that Mehta Committee was set up in 1993 to undertake a thorough review of all relevant issues connected with the recruitment procedure and practices in Banks for building up requisite professional cadres at various levels of management. The Ministry further stated that another term of reference

of Mehta Committee was to review the role and efficiency of BSRBs with specific reference to their functions, jurisdiction, methods of selection etc and the need for their continuance or otherwise in the context of the process of reforms in financial sector. The Mehta Committee inter-alia recommended that the type of specialist needed would vary from Bank to Bank depending upon their business strategy and focus.

1.6 As regards constitution of Narasimha Committee, the Ministry informed that Banking Sector Reforms Committee was constituted in December, 1997 under the chairmanship of Shri M. Narasimhan to review the progress in reforms in the Banking Sector since 1990-91. The Committee also suggested that for handling recruitment of officers there was no need for continuing with BSRBs.

(iv) Reasons for abolition of BSRBs.

1.7 When the Committee enquired about reasons to abolish Banking Service Recruitment Boards, the Ministry of Finance (Banking Division), in their reply have stated that BSRBs have been abolished because the requirement of new recruitment by Banks has decreased and there is need of banks for specialised officers and staff having adequate knowledge of modern technology, money management, foreign exchange etc. who can be appointed through campus recruitment. They have also stated that at the time of setting up of BSRBs in 1978 the requirement of the Banks for both officers and clerical cadre were quite high due to massive branch opening. With the consolidation of branches as well as computerization, mechanisation, the requirment of the banks, of late, has gone down considerably. In addition, the manpower required by the banks in the current economic scenario is quite different than the manpower provided by the BSRBs in 1980s and 1990s. The Ministry also stated that keeping the above facts in view as well as considering the need for greater autonomy of the banks it was decided that greater independence might be given to the bank management for forming of their own recruitment strategy and in implementing it. Based on these reasons it was decided to abolish BSRBs.

1.8 On this point, the Secretary (Banking Division) during his oral evidence clarified that:-

"…. these boards (BSRBs) were only working as an agent of the banks as a recruitment agency as far as recruitment is concerned. But it was primarily the responsibility of the concerned banks which decided how many persons were to be recruited out of them, how many vacancies were to be reserved as per the Government of India guidelines. BSRBs only selected personnel according to the categories notified to them and prescribed by the banks as per the guidelines issued from time to time. In fact, the BSRB had no crucial role to play in the implementation of reservation policy as such."

He further added that:-

"Last year, after the detailed deliberations, it was decided to abolish these recruitment boards and the recruitment of personnel is now being made by the banks themselves. The Government guidelines already exist which shows that the recruitment should be transparent and the policy of reservation as prescribed by the Government will have to be followed by the concerned banks for which they are accountable. Banks are strictly following the guidelines with regard to the reservation policy, relaxation and concessions as applicable before abolition of boards."

1.9 As regards the question of nationalisation of banks, the Committee during evidence pointed out that, the country became independent in 1947 and the nationalisation of the banks took place in 1969. The Committee apprehended that by removing the Banking Service Recruitment Boards of the nationalised banks, the very purpose of the nationalisation will be defeated.

1.10 The Committee, during tour to various Nationalised Banks and while holding discussions with the SC/ST Employees Welfare Associations have been informed that these Associations are not consulted in the policy making decisions The Committee enquired what are the reasons for not consulting the members of various Associations belonging to SC/ST whereas the opinion of the Reserve Bank of India and Indian Banks Association was taken before abolition of BSRBs. The Government, in their post evidence note clarified their stance stating that the opinion of Associations belonging to SC/ST or for that matter that

of other Unions/Associations was not taken, as it did not affect their rights adversely. It was an administrative decision. Therefore, RBI as regulator and IBA as representative of Banks were consulted in the matter.

1.11 The Committee do not agree at all with the reasons put-forth by the representative of the Ministry of Finance and observe that before Nationalisation, Banks were working on the pattern of independent provinces which were caste based. The Committee also feel that Banks were nationalised by the Government in the year 1969 due to damaging shortcomings in the system of the Banks which were not working properly in the interest of the country as a whole. The Committee also note that the poor people had no entry in the Banks either in the commercial sector or in the service sector. The Committee further observe that in 1978, Banking Service Recruitment Boards (BSRBs) were established for recruitment of staff, which were also to provide adequate representation of SCs/STs in the Banks and to bring uniformity in the recruitment system of all the Banks. The Committee, thus apprehend that by abolishing the BSRBs of the nationalised banks, the very purpose of the nationalisation would be defeated and the interest of SCs/STs will be adversely affected.

1.12 The Committee note that the Banking Service Recruitment Boards (BSRBs) have been abolished on the basis of the recommendations made by the Mehta Committee and Narasimha Committee. The Committee also note that BSRBs have been abolished because of the requirement of new recruitment by Banks has been reduced by the Banks and the need of Banks for specialised categories of officers and also the staff having adequate knowledge of modern technology etc. The Committee also note that there is a vast difference between the opinion expressed by the Ministry and the recommendation made by the Mehta Committee. The Committee note that Mehta Committee had recommended that recruitment for clerical staff may continue to be handled by the Banking Service Recruitment Boards subject to certain changes in the existing pattern. The said Committee had also recommended that it would not be advisable to abolish the number of

Banking Service Recruitment Boards and the BSRBs have to be totally restructured with clear objectives and that they may be given substantive autonomy with focus on expertise building. The Committee are dismayed to note that inspite of these recommendations the BSRBs have been abolished by the Government. The Committee are also not happy to observe that the decision of the Government to abolish BSRBs has been taken in a haste and without considering the merits and demerits of the abolition of BSRBs. The Committee are strongly of the opinion that BSRBs should not have been abolished and at the first instance desire that the Government should review its decision which is having detrimental affect and sending wrong signal about interests and welfare of Scheduled Caste and Scheduled Tribe people.

1.13 The Committee also note that regarding abolition of BSRBs, though, the Reserve Bank of India and Indian Banks Associations were consulted however no Scheduled Caste/Scheduled Tribe Association was consulted in this regard. The Committee are distressed to point out that the Government have consulted RBI as a regulator and IBA as representative of Banks whereas the people whose interest would be at stake have not been consulted at all. The Committee express their serious concern and deplore the action taken by the Government in this matter. In the opinion of the Committee before abolishing BSRBs a consensus decision should have been taken involving all affected parties including Scheduled Castes and Scheduled Tribes. Since, BSRBs have already been abolished the Government should take some concrete and positive steps which must protect the interests of Scheduled Caste/Scheduled Tribe people and to obviate any harm in recruitment of SC/ST people in Banks.

(v) Responsibility to implement Reservation order after abolition of BSRBs

1.14 When asked about the reasons for not consulting Members of Association belonging to SC/ST before abolishing BSRBs, the Ministry of Finance through a post evidence note stated that after abolition of BSRBs, it is the responsibility of the concerned Bank to ensure that the Government guidelines with regard to reservation policy are followed by them at the time of making recruitment of

staff/officers. After abolition of BSRBs, Banks have appropriately been advised by the Government to implement reservation policy of Government through specific guidelines as mentioned below:-

i) The recruitment policy should be transparent.

ii) The process of selection should be fair, just, objective and unbiased in all aspects and provide equal opportunity to all eligible candidates.

iii) Reservation in posts for SC/STs, OBCs Ex-serviceman, Disabled etc., with concessions in eligibility norms as laid down by the Government of India from time to time should be strictly followed.

iv) There should not be any change with regard to minimum/maximum age criteria, educational qualifications, as regards workmen employees and Probationary Officers. However, Banks may decide the educational qualifications and experience as well as maximum age in respect of specialist officers to be appointed in officers' cadre.

v) Candidates belonging to SC/ST etc. may be provided the same concessions in fee and cut-off marks to which they are entitled to at present.

vi) In the selection committees set up for interviews, due representation should be given to the members belonging to SC/ST and minority communities.

1.15 The Committee were also informed by the Ministry that in pursuance of these guidelines, a few banks have already framed their policies and have undertaken the recruitment. Banks are usually taking the assistance of other agencies like Institute of Banking Personnel Selection (IBPS) in conducting these examinations.

1.16 In this regard the representative of the Ministry of Finance (Banking Division) stated during evidence that "each Bank has different needs." When asked as to how it will be ensured that while working independently, Banks are unbiased towards SCs & STs and the recruitment policy is transparent, the Ministry in their post evidence note furnished to the Committee have stated that the Board of Directors of Banks review the status of implementation of reservation policy in Banks, half yearly through review notes put up by the Banks. The Ministry also monitors implementation of the reservation policy through periodical statements

received from Banks and by conducting inspection. They have further stated that an in depth study is conducted on rosters maintained by Banks in respect of implementation of reservation policy and shortcomings found during inspection are pointed out to the concerned Bank for rectification. The findings are discussed with Chairman-cum-Managing Director/Executive Director and Senior Management of the Bank to ensure timely action on the shortcomings and inadequacies detected at the time of inspection. Follow up action is also properly monitored by Banking Division and all these steps would continue to ensure that Banks would be unbiased towards SC/STs and remain transparent in the recruitments.

1.17 The representative of the Ministry of Finance (Banking Division) further informed the Committee that:-

"Oriental Bank of Commerce, Corporation Bank and Andhra Bank have decided to make recruitment through an independent agency called Institute of Banking Personnel Selection (IBPS)."

1.18 On being enquired about reliability of this agency, the Committee have been informed through post evidence note furnished by the Ministry, that the BSRBs had been taking the services of Institute of Banking Personnel Selection in formulation and evaluation of test papers since their inception. The institute has got sufficient infrastructure/experience to handle the recruitment with utmost secrecy and confidentiality. It has competent qualified and experienced officials and staff to carry out all the activities undertaken by it with relation to selection and recruitment in the most effective fashion. It was also stated that all the clients of IBPS expressed complete satisfaction with the unblemished services provided to them by IBPS.

1.19 The Committee further enquired as to who will be accountable, if National Reservation Policy is not implemented by independent agencies. The Ministry in their post evidence replies have stated that National Reservation Policy would be strictly followed by the Banks as that had been followed before and all steps would be taken to ensure that Banks are unbiased towards SCs/STs. They have further added that it is the Bank's managements who are responsible for following

the reservation policy and not the recruiting agency. The Banks are following the roster system to ensure implementation of reservation policy. The recruitment agencies will have to provide the required number of persons of various categories specified by the Banks and they have to implement reservation policy in letter and spirit.

1.20 The Committee note that some specific guidelines to implement reservation policy have been issued by the Govt. and in pursuance of these guidelines few banks have framed their policies & have started recruitment independently. The Committee further note that Banks are taking assistance of other agencies for recruitment and for this purpose faith has been shown in the Institute of Banking Personnel Selection (IBPS). The Committee are very serious to note that free hand has been given to Banks to frame their own recruitment rules, though some guidelines have been issued to them but nothing has been stated regarding their implementation. The Committee, therefore, strongly recommend that the guidelines should be made mandatory for the banks to implement them. The Committee also note that the Banks are free to choose their own recruiting agency. There are great apprehensions about abuse of powers by such private agencies since there is no fool proof mechanism to check such menace. The Committee, therefore, strongly recommend that a uniform recruitment/selection procedure should be devised and issued by the M/o Finance (Banking Division) to all the Banks for which the needs of all Banks can be taken into consideration. The said procedure should be objective, fair, impartial and should take care of National Reservation Policy. The Banking Division should also recognise some institutes for conducting examination /selection who register themselves with Banking Division. The Committee also recommend that guidelines issued by the Banking Division should be applicable to independent recruitment agencies so that while making recruitment/selection, their role in implementation of reservation policy could be well defined and ascertained.

1.21 The Committee also note that Board of Directors of Banks review the status of implementation of reservation policy in banks half yearly through review

note and Ministry also monitor through periodical statements. The Committee are unhappy to note that apart from review by the Board of Directors of the Banks, the monitoring procedure of the Government is not effective because results yielded so far in the Banking Industry are not satisfactory. The Committee, keeping in mind, the need of the hour, recommend that the Government should review the monitoring system being followed by them and make it result oriented.

CHAPER – II

Staff strength of Banks/Financial Institutions

2.1 In regard to total strength in the cadre of officers/clerks and sub-staff (including sweepers and part time sweepers) as on 31.12.2001 relating to all Banks/Financial Institutions, the following statements have been furnished to the Committee by the Ministry of Finance (Banking Division): -

ANNEXURE - VII

Representation of SC/STs in the Public Sector Banks / Financial Institutions as on 31.12.2001

Name of the Bank / Financial Institution	Officers					Clerks				
	Total	SCs	%age	STs	%age	Total	SCs	%age	STs	%age
Allahabad Bank	5771	937	16.24	358	6.2	9979	1753	17.57	268	3.69
Andhra Bank	5502	839	15.25	362	6.58	5105	684	13.4	130	2.55
Bank of Baroda	11491	1841	16.02	608	5.29	19043	2949	15.48	1026	5.38
Bank of India	10818	1649	15.2	705	6.52	22251	3332	14.97	1365	6.13
Bank of Maharashtra	3782	579	15.3	224	5.92	7173	1042	14.52	413	5.76
Canara Bank	13940	2407	17.26	909	6.52	21918	3768	17.19	1017	4.64
Central Bank of India	11104	1921	17.3	653	4.88	19067	2679	14.5	969	5.08
Corporation Bank	3532	340	9.62	126	3.56	5308	751	14.14	201	3.78
Dena Bank	2743	477	17	210	8	5122	943	18	539	11
Indian Bank	7026	1086	15.46	401	5.71	11757	2609	22.19	324	2.76
Indian Overseas Bank	6941	1087	15.66	407	5.96	12690	3334	26.27	318	2.5
Oriental Bank of Commerce	4683	576	12.3	169	3.61	5802	1227	21.15	284	4.89
Punjab National Bank	15171	2149	14.16	618	4.07	31072	5408	17.4	1217	3.91
Punjab and Sind Bank	3916	323	8.25	87	2.22	4127	265	6.42	73	1.77
Syndicate Bank	7727	1045	13.52	323	4.18	13746	2767	20.13	771	5.61
Union Bank of India	7621	1222	16.03	514	6.74	12508	2360	18.94	405	3.24
United Bank of India	4658	773	16.59	291	6.24	9193	1661	18.06	271	2.94
UCO Bank	5965	930	15.59	277	4.64	13450	1957	14.55	589	4.37
Vijaya Bank	3144	353	11.22	150	4.77	6172	469	7.6	223	3.61
State Bank of India	51971	6837	13.16	2408	4.63	102094	14426	14.13	6228	6.1

SB of Bikaner & Jaipur	3175	377	11.87	173	5.44	6250	982	15.71	537	8.59
SB of Hyderabad	3599	572	15.89	172	4.78	6752	899	13.31	272	4.03
SB of Indore	1764	250	14.17	102	5.78	3334	543	16.29	370	11.10
SB of Mysore	2278	375	16.46	145	6.36	5537	775	13.99	242	4.37
SB of Patiala	3051	555	18.19	80	2.62	6405	1638	25.57	50	0.78
SB of Saurashtra	1867	327	19.51	90	4.82	3651	442	12.1	392	10.73
SB of Travencore	2744	339	12.35	41	1.49	6408	792	12.36	230	3.59
Reserve Bank of India	7360	785	10.66	229	3.11	13405	2038	15.2	1091	8.13
Financial Institutions										
IIBI	137	12	8.75	4	2.91	75	11	14.66	1	1.33
IDBI	1451	222	15.3	58	4	878	154	17.54	63	7.18
EXIM Bank	177	22	12.42	13	7.34	Bank has no	Employees	In Clerical &	Sub staff	cadre
NHB	81	8	9.88	2	2.7	-do-				
NABARD	2915	371	12.73	178	6.11	1475	174	11.8	129	8.75
SIDBI	720	88	12.22	31	4.31	114	32	28.07	9	7.89

ANNEXURE - VIII

Representation of SC/STs in the Public Sector Banks / Financial Institutions as on 31.12.2001

	SUB-STAFF					PART-TIME SWEEPERS				
	Total	SCs	%age	STs	%age	Total	SCs	%age	STs	%age
Allahabad Bank	3914	977	25.01	276	7.05	305	220	72.13	4	1.31
Andhra Bank	2170	561	25.85	164	7.56	971	292	30.07	65	6.69
Bank of Baroda	7758	2330	30.03	693	8.93	806	466	57.81	66	8.18
Bank of India	8955	3046	34.01	734	8.19	1013	513	50.64	131	12.93
Bank of Maharashtra	3198	1087	33.99	304	9.5	1250	550	44	119	9.5
Canara Bank	9243	2371	25.65	457	4.94	2618	948	36.21	93	3.55
Central Bank of India	9472	2533	27.5	650	6.86	2876	1475	51.29	191	6.64
Corporation Bank	1409	576	40.88	69	4.89	557	241	43.26	27	4.84
Dena Bank	2714	849	31	336	12	214	80	37	42	20
Indian Bank	3753	1236	32.93	178	4.74	1208	420	34.77	58	4.8
Undian Overseas Bank	3902	1450	37.16	164	4.2	1007	378	37.53	48	4.77
Oriental Bank of Commerce	3119	985	31.58	176	5.64	752	517	68.75	52	6.91
Punjab National Bank	11856	3113	26.25	669	5.64	2931	2047	69.83	84	2.86
Punjab and Sind bank		349	18.02	47	2.43					
Syndicate bank	3977	1131	28.44	297	7.47	1775	751	42.31	88	4.96
Union Bank of India	5695	1667	29.27	334	5.86	-	-	-	-	
United Bank of India	1389	666	47.94	118	8.49	1292	578	44.73	117	9.05
UCO Bank	4899	1277	26.06	313	6.38	796	469	58.91	29	3.64
Vijaya Bank	1981	470	23.72	127	6.41	656	238	36.28	64	9.76
State bank of India	6210	3980	64.09	384	6.18	4140	2653	64.08	255	6.16
SB of Bikaner & Jaipur	3068	576	18.77	373	12.15	781	781	100	-	-
SB of Hyderabad	3935	738	18.75	175	4.44	140	3	2.14	-	-

SB of Indore	1399	325	23.23	188	13.43	-	-	-	-	-
SB of Mysore	* 2032	540	26.57	90	4.42					4.12
SB of Patiala	2738	766	27.98	73	2.67	723	705	97.51	4	0,55
SB of Saurashtra	1834	365	19.9	176	9.59	171	41	23.97	26	15.2
SB of Travencore	2243	708	31.56	101	4.5	751	132	17.58	12	1.6
Reserve Bank of India	9421	2932	30.06	793	8.41	123	87	70.73	5	4.067.5
Financial Institutions										
IIBI	64	18	28.12	3	4.68	3	2	66.6	-	-
IDBI	53	30	56.6	8	15.9	20	10	50	-	-
EXIM Bank	9	1	11.11	-	-	Bank has	No	employee	In this	cadre
NHB	The Bank	Has	no	employee	in	these	cadres			
NABARD	91	57	62.64	14	15.38	NIL				
SIDBI	3	0	0	0	0	1	1	100	0	0

2.2 It is apparent from the statements received from the Ministry of Finance (Banking Division) that as on 31.12.2001 in the officers cadre there is a huge shortfall of STs, in 32 out of 34 Banks/Financial Institutions (FIs). Similarly, in SC category there is a shortfall in 15 Banks/FIs. On the other hand in the clerical cadre 24 Banks/FIs are having shortfall in ST category and 14 are having shortfall in SC category. In the cadre of sub-staff 17 Banks/FIs are having shortfall in ST category. So far as part-time sweepers are concerned there is shortfall in 15 Banks/FIs in ST category and in one Bank there is shortfall in SC category. The Committee are deeply concerned over the shortfall existing in almost all Banks/Financial Institutions and in all the categories of Posts. The Committee express their unhappiness on this sorry state of affairs regarding representation of Scheduled Caste and Scheduled Tribe people in the financial institutions of the country. It is highly disappointing to find that in spite of this huge shortfall in almost all Banks/Financial Institutions in all the categories of posts, the Government, instead of taking steps to fill up such a gap of shortfall, had decided to abolish BSRBs. The Committee feel that before giving free hand for recruitment of staff to individual Banks/FIs, the shortfall/backlog be cleared. The Committee, therefore, recommend that instructions should be issued by the Ministry of Finance (Banking Division) directing all Banks/FIs to fill up the shortfall/backlog by conducting special recruitment drive for all categories of posts by a stipulated date, the existing recruitment rules, may also be amended if need be.

RATILAL KALIDAS VARMA
CHAIRMAN
COMMITTEE ON THE WELFARE
OF SCHEDULED CASTES AND
SCHEDULED TRIBES

NEW DELHI;
February, 2003
Phalguna, 1924(Saka)

APPENDIX

(Vide para 4 of Introduction)

SUMMARY OF CONCLUSIONS/RECOMMENDATIONS CONTAINED IN THE REPORT

Sl. No.	Para No. of the Report	Summary of Conclusions/Recommendations
1	2	3
1.	1.11	The Committee do not agree at all with the reasons put-forth by the representative of the Ministry of Finance and observe that before Nationalisation, Banks were working on the pattern of independent provinces which were caste based. The Committee also feel that Banks were nationalised by the Government in the year 1969 due to damaging shortcomings in the system of the Banks which were not working properly in the interest of the country as a whole. The Committee also note that the poor people had no entry in the Banks either in the commercial sector or in the service sector. The Committee further observe that in 1978, Banking Service Recruitment Boards (BSRBs) were established for recruitment of staff, which were also to provide adequate representation of SCs/STs in the Banks and to bring uniformity in the recruitment system of all the Banks. The Committee, thus apprehend that by abolishing the BSRBs of the nationalised banks, the very purpose of the nationalisation would be defeated and the interest of SCs/STs will be adversely affected.
2.	1.12	The Committee note that the Banking Service

Recruitment Boards (BSRBs) have been abolished on the basis of the recommendations made by the Mehta Committee and Narasimha Committee. The Committee also note that BSRBs have been abolished because of the requirement of new recruitment by Banks has been reduced by the Banks and the need of Banks for specialised categories of officers and also the staff having adequate knowledge of modern technology etc. The Committee also note that there is a vast difference between the opinion expressed by the Ministry and the recommendation made by the Mehta Committee. The Committee note that Mehta Committee had recommended that recruitment for clerical staff may continue to be handled by the Banking Service Recruitment Boards subject to certain changes in the existing pattern. The said Committee had also recommended that it would not be advisable to abolish the number of Banking Service Recruitment Boards and the BSRBs have to be totally restructured with clear objectives and that they may be given substantive autonomy with focus on expertise building. The Committee are dismayed to note that inspite of these recommendations the BSRBs have been abolished by the Government. The Committee are also not happy to observe that the decision of the Government to abolish BSRBs has been taken in a haste and without considering the merits and demerits of the abolition of BSRBs. The Committee are strongly of the opinion that BSRBs should not have been abolished and at the first instance desire that the Government should review its decision which is having detrimental affect and sending wrong signal about interests and welfare of Scheduled Caste and Scheduled Tribe people.

3. 1.13 The Committee also note that regarding abolition of BSRBs, though, the Reserve Bank of India and Indian Banks Associations were consulted however no Scheduled Caste/Scheduled Tribe Association was consulted in this regard. The Committee are distressed to point out that the Government have consulted RBI as a regulator and IBA as representative of

Banks whereas the people whose interest would be at stake have not been consulted at all. The Committee express their serious concern and deplore the action taken by the Government in this matter. In the opinion of the Committee before abolishing BSRBs a consensus decision should have been taken involving all affected parties including Scheduled Castes and Scheduled Tribes. Since, BSRBs have already been abolished the Government should take some concrete and positive steps which must protect the interests of Scheduled Caste/Scheduled Tribe people and to obviate any harm in recruitment of SC/ST people in Banks.

4. 1.20 The Committee note that some specific guidelines to implement reservation policy have been issued by the Govt. and in pursuance of these guidelines few banks have framed their policies & have started recruitment independently. The Committee further note that Banks are taking assistance of other agencies for recruitment and for this purpose faith has been shown in the Institute of Banking Personnel Selection (IBPS). The Committee are very serious to note that free hand has been given to Banks to frame their own recruitment rules, though some guidelines have been issued to them but nothing has been stated regarding their implementation. The Committee, therefore, strongly recommend that the guidelines should be made mandatory for the banks to implement them. The Committee also note that the Banks are free to choose their own recruiting agency. There are great apprehensions about abuse of powers by such private agencies since there is no fool proof mechanism to check such menace. The Committee, therefore, strongly recommend that a uniform recruitment/selection procedure should be devised and issued by the M/o Finance (Banking Division) to all the Banks for which the needs of all Banks can be taken into consideration. The said procedure should be objective, fair, impartial and should take care of National Reservation Policy. The Banking Division should also

recognise some institutes for conducting examination /selection who register themselves with Banking Division. The Committee also recommend that guidelines issued by the Banking Division should be applicable to independent recruitment agencies so that while making recruitment/selection, their role in implementation of reservation policy could be well defined and ascertained.

5. 1.21 The Committee also note that Board of Directors of Banks review the status of implementation of reservation policy in banks half yearly through review note and Ministry also monitor through periodical statements. The Committee are unhappy to note that apart from review by the Board of Directors of the Banks, the monitoring procedure of the Government is not effective because results yielded so far in the Banking Industry are not satisfactory. The Committee, keeping in mind, the need of the hour, recommend that the Government should review the monitoring system being followed by them and make it result oriented.

6. 2.2 It is apparent from the statements received from the Ministry of Finance (Banking Division) that as on 31.12.2001 in the officers cadre there is a huge shortfall of STs, in 32 out of 34 Banks/Financial Institutions (FIs). Similarly, in SC category there is a shortfall in 15 Banks/FIs. On the other hand in the clerical cadre 24 Banks/FIs are having shortfall in ST category and 14 are having shortfall in SC category. In the cadre of sub-staff 17 Banks/FIs are having shortfall in ST category. So far as part-time sweepers are concerned there is shortfall in 15 Banks/FIs in ST category and in one Bank there is shortfall in SC category. The Committee are deeply concerned over the shortfall existing in almost all Banks/Financial Institutions and in all the categories of Posts. The Committee express their unhappiness on this sorry state of affairs regarding representation of Scheduled Caste and Scheduled Tribe people in the financial institutions of the country. It is highly disappointing to find that in spite of this huge shortfall in almost all Banks/Financial

Institutions in all the categories of posts, the Government, instead of taking steps to fill up such a gap of shortfall, had decided to abolish BSRBs. The Committee feel that before giving free hand for recruitment of staff to individual Banks/FIs, the shortfall/backlog be cleared. The Committee, therefore, recommend that instructions should be issued by the Ministry of Finance (Banking Division) directing all Banks/FIs to fill up the shortfall/backlog by conducting special recruitment drive for all categories of posts by a stipulated date, the existing recruitment rules, may also be amended if need be.